



# Titanium Advisors, LLC

Financial Planning + Investment Management

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[www.titaniumadvisors.com](http://www.titaniumadvisors.com)

## Form ADV Part 2 Advisory Brochure March 10, 2016

This brochure provides clients and prospective clients with information about Titanium Advisors, LLC and the qualifications, business practices, and nature of its services that should be carefully considered before becoming an advisory client. The contents of this brochure have not been approved or verified by the Securities and Exchange Commission (SEC) or any other state or federal authority.

While the firm is an investment advisor registered with the Commonwealth of Massachusetts, it does not imply a certain level of skill or training on the part of the firm or its associated personnel.

Questions relative to the firm, its services, or this ADV Part 2 may be made to the attention of Mr. Kevin Nulton at (508) 528-3120. Additional information about the firm, other advisory firms, or associated investment advisor representatives is available on the Internet at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Item 1 – Cover Page

## **Item 2 - Material Changes**

The firm amended its Form ADV Part 2 brochure dated January 20, 2016 due to technical adjustments involving our advisory fees (Item 5), associate trading policy (Item 11), as well as our account reviews and use of performance reports (Item 13). The previous firm brochure dated February 7, 2015 had been modified due to changes in the firm's reportable assets under management (Item 4) and modification of the firm's fee schedule (Item 5). Technical changes had also occurred throughout the document, with particular emphasis on Items 12 and 14. Clients and prospective clients are encouraged to review this brochure in its entirety and are encouraged to ask questions at any time prior to or throughout the engagement.

The firm may at any time update this document and either send a copy of its updated brochure or provide a summary of material changes to its brochure and an offer to send an electronic or hard copy form of the updated brochure. Clients are also able to download this brochure from the SEC's Website: [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) or you may contact our firm at (508) 528-3120.

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***Important Information:*** Throughout this document, Titanium Advisors, LLC may also be referred to as the “firm,” “our,” “we” or “us.” The client or prospective client may be also referred to as “you,” “your,” etc., and refers to a client engagement involving a single *person* as well as two or more *persons*, and may refer to natural persons and legal entities. In addition, the term “advisor” and “adviser” are used interchangeably where accuracy in identification is necessary (i.e., internet address, etc.).

#### **Item 4 - Advisory Business**

Titanium Advisors, LLC is a registered investment advisor domiciled in the Commonwealth of Massachusetts formed in April of 2010. Our firm is not a subsidiary of nor does it control another financial services industry entity. In addition to our registration as an investment advisor in Massachusetts in 2010, our firm and its associates may register or meet certain exemptions to registration in other states in which we conduct business.

Kevin L. Nulton, Esq., CFP® is the firm's Principal and Chief Compliance Officer (supervisor).<sup>1</sup> He is also Managing Member and maintains controlling interest in the firm. Additional information about Mr. Nulton and his background may be found toward the end of this brochure.

The firm holds itself to a *fiduciary standard*, which means Titanium Advisors, LLC and its personnel will act in the utmost good faith and performing in a manner believed to be in the best interest of its clients. We provide fee-only financial planning, consultation and investment supervisory services that, depending upon each client's unique circumstances or specific request may be general in nature or focused on particular areas of interest or need.

#### ***Introductory Review***

A 30-minute complimentary interview is conducted by a qualified representative of the firm to determine the scope of services to be provided. During the initial meeting, a current Form ADV Part 2 brochure and Privacy Policy will be given to the client. Should the client wish to engage Titanium Advisors, LLC for its services, parties must enter into a written agreement, with further discussion and analysis conducted thereafter to ascertain financial need, goals, holdings, etc., as provided by the client.

Financial advice and/or plans are based upon the information disclosed by the client or their legal agent and incorporate the client's financial situation at the time the plan is presented. In performing its services the firm may, but is not required to, verify any information received from the client or from the client's agents.

#### ***Financial Planning Services***

The firm provides financial planning services relating to various components which may be either broad-based or modular in nature as the client may desire. Advice is offered on subjects such as cash flow management, risk management, education funding, investment planning, retirement strategies, tax and estate planning, or other specific needs as indicated by the client. Such services typically involve providing a variety of advice or services to clients regarding the management of their financial resources, as based upon an analysis of their individual needs.

The firm typically utilizes a long term investment perspective, unless specifically requested to the contrary by the client. If engaged for investment consultation, Titanium Advisors, LLC may assist the client in developing a portfolio deemed appropriate to the client's investment objectives and tolerance for risk.

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<sup>1</sup> Please refer to the end of this brochure for further information about associated personnel professional designations.

When a financial planning service focuses only on certain areas of client interest, the client is hereby informed that their overall financial situation or needs may not be fully addressed due to limitations they have established for the firm. The client retains absolute discretion over all implementation decisions and is free to accept or reject any recommendation made by the firm. Further, it remains each client's responsibility to promptly notify Titanium Advisors, LLC if there is a material change in their financial situation or investment objectives for the purpose of evaluating or revising the firm's recommendations or services.

The firm does not provide accounting or property and casualty insurance advice, nor does it sponsor or manage a wrap fee investment program. With the client's consent, the firm may work with the client's other advisors (accountants, etc.) to assist with coordination and implementation of accepted strategies. The client should be aware that their other advisors may bill them separately for their services, and these fees will be in addition to those of Titanium Advisors, LLC.

Engagements involving financial planning and investment consultation services may be concluded upon delivery of the requested service; however, the client is encouraged to engage the firm in the future. Periodic reviews are recommended and it is assumed the client's responsibility to initiate these meetings. Unless Titanium Advisors, LLC is engaged for long-term services, pursuant a written agreement or its amendment that includes review and updates, it would be the client's responsibility to engage these additional services under a new engagement.

### ***Workshop Presentations***

Associated personnel of Titanium Advisors, LLC may provide educational workshops on an "as announced" basis for groups desiring general advice on investments and personal finance. Topics may include issues related to wealth management, financial planning, retirement strategies, or various other economic and investment topics. Such workshops or programs are purely educational in nature and do not involve the sale of any investment products. Information presented will not be based on any one person's need, nor does the Titanium Advisors, LLC provide individualized investment advice to attendees during these sessions.

### ***Investment Supervisory Services***

Clients may also choose to engage the firm to implement the investment strategies it has recommended. We typically prepare investment guidelines reflecting your objectives, time horizon, tolerance for risk, as well as any reasonable account constraints you may have for the portfolio. For example, you have the right to exclude certain securities (e.g., options, mutual funds, ETFs, etc.) at your discretion. We generally provide these services under a discretionary engagement agreement (defined in Item 16).

The firm employs passive investment strategies which are designed for investors who seek long-term, tax efficient growth while controlling risk and volatility. Existing positions within a client account containing various holdings will be evaluated and maintained when deemed appropriate; these may include US Government Securities; exchange-listed securities (i.e., stocks), debt instruments (i.e., bonds), certificates of deposit, investment company securities (i.e., mutual funds, variable insurance contracts, etc.), and certain derivatives (i.e., options). The firm's general investment strategy is further described in Item 8 of this brochure.

### ***Investment Management Services***

In the event that the client's custodian or the underlying retirement plan documentation for any account does not permit the client to authorize the firm to purchase and sell securities on client's behalf (a "Held-Away Account"), then the firm will monitor the account and provide the client with specific investment recommendations from time to time as may be necessary to implement the client's financial plan. Under this type of engagement, the client will be required to promptly forward copies of all quarterly statements received with respect to their Held-Away Accounts.

### ***Qualified Plan Advisory Services***

The firm also offers investment advisory services to qualified retirement plans under the Employee Retirement Income Security Act of 1974 (ERISA). The scope of such engagements can range from a limited review and analysis of the retirement plan's investment menu to the continuous exercise of discretionary authority as an investment manager under § 3(38) of ERISA. In all cases, the firm acts as a fiduciary to the plan under ERISA.

### ***Client Assets Under Management***

As of December 31, 2015, our firm had approximately \$65.5 million<sup>2</sup> dollars of client assets under management: \$54.25 million through discretionary account agreements, and \$11.25 million through non-discretionary account agreements (as defined in Item 16).

## **Item 5 - Fees and Compensation<sup>3</sup>**

### ***Financial Planning Services***

The firm typically provides financial planning services on a fixed fee arrangement that usually costs from \$3,000 to \$5,000. Fixed fees vary based upon the complexity of the client's issues and the anticipated number of hours estimated to provide the requested services.

On occasion, the firm will provide financial planning advice as to one or more discreet issues on an hourly basis. In such cases, the fee will be assessed at a rate of \$250 per hour, billed in six-minute increments, and a partial increment will be treated as a whole. The number of hours to complete the delivery of advice will be estimated and will depend upon the level and scope of services required.

Fees for these services are negotiable at the discretion of the firm principal. Services provided under either fee arrangement and the anticipated fee range will be detailed in the written service agreement. Fees are due for financial planning services upon delivery of the plan or advice. At the firm's discretion, a portion of the financial planning fee may be credited against future investment management fees. If applicable, such credit amount will be specified in the written service agreement.

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<sup>2</sup> The term "assets under management" and rounding to the nearest \$100,000 per the SEC's General Instructions for Part 2 of Form ADV.

<sup>3</sup> Titanium Advisors, LLC reserves the right (but is not obligated) to assess a lower fee to those clients who had engaged the firm prior to January 1, 2016, in addition to associates' and related persons' accounts maintained by the firm through its selected custodian.

### **Workshop Presentations**

Titanium Advisors, LLC may impose a fee for educational workshops. In the event there is a charge to workshop attendees, the fee will be published in the workshop announcement or invitation, or may be paid by the engagement sponsor. Fees for these events are typically a fixed amount paid at the time of the presentation.

### **Qualified Plan Advisory Fees**

Our qualified plan advisory engagements typically begin with a complimentary 60 minute meeting with the retirement plan sponsor to conduct a preliminary assessment of the investment menu available to participants and any ERISA compliance issues which may exist. We then submit a fixed fee proposal to analyze the specific issues identified and prepare recommendations. Depending upon the scope of work required, this engagement typically costs between \$1,500 and \$3,000 which is due upon delivery of services.

If the plan sponsor desires to engage Titanium Advisors, LLC to implement the recommendations or otherwise continue to provide ERISA investment advice, a new agreement would be executed defining the exact scope of work and compensation structure (i.e., fixed price, retainer, and/or percentage of plan assets).

### **Investment Services Fees**

For investment supervisory services, the firm charges an annual fee equal to 0.59% (59 bps) of the market value of the client's accounts under its management (reduced to 0.25% for Section 529 Plan accounts). For Held-Away Accounts, Titanium Advisors, LLC charges an annual fee for account monitoring and periodic investment recommendations equal to 0.40% (40 bps) of the market value of the applicable account(s). The minimum aggregate quarter fee is \$1,500 for new clients.

Investment services fees are payable quarterly, in arrears, that will be determined by the reporting period ending value of the client's account (e.g., the last market day of the quarter). The account's first billing cycle will occur at the end of the current quarter and fees will be prorated based upon the number of days remaining in the quarter from the date funds or securities have first been deposited into the account. For subsequent billing periods, after any net additions or withdrawals in excess of \$50,000 are made to the account, quarterly fees will be prorated to reflect the dollar-weighted number of days such funds were under management.

For purposes of determining account asset value, securities and other instruments traded on a market for which actual transaction prices are publicly reported will be valued at the last reported sale price on the principal market in which they are traded. If there are no sales on such date, then they will be determined by the mean between the *closing bid* and *asked price* on such date. Other readily-marketable securities will be valued using a pricing service or through quotations from one or more dealers. In the absence of a market value, Titanium Advisors, LLC may seek an independent third party opinion or through a good faith determination by a qualified firm associate.

The applicable investment services fees referenced include all fees and charges for the services of the firm and its investment advisor representatives. The client will be required to authorize in writing a selected broker/dealer or custodian ("service provider") to deduct advisory fees, applicable transaction charges, etc., from client accounts and all such fees will be clearly noted on client statements.

In jurisdictions where required, the firm will concurrently send the client and selected service provider a written notice (“invoice”) of the fees to be deducted. The notice will include the total fee assessed, covered time period, calculation formula utilized, and reference to the assets under management in which the fee had been based. It is important that the client also verifies the accuracy of fee calculations; the custodian may not verify the accuracy of advisory fee assessments.

For those accounts held by service providers in which the firm does not maintain an agreement, clients will be directly billed and fees will be due in full within 15 days of receipt of Titanium Advisors, LLC’s invoice.

Additional information about our fees in relation to our operations may be found in Item 12.

### ***Potential Additional Fees***

Specific product recommendations made by the firm will usually be for “no-load” (i.e., no commission) products, if available. In some cases, such as with insurance products, there may not be a suitable selection of no-load products available for recommendation, however, neither the firm nor its associates will be paid a commission on the purchase.

Any transactional or service fees (sometimes termed *brokerage fees*), individual retirement account fees, qualified retirement plan fees, account termination fees, or wire transfer fees will be borne by the account holder and per the separate fee schedule of the custodian of record. We will ensure our clients receive a copy of our custodian’s fee schedule at the beginning of the engagement, and they will be notified of any future changes to these fees by the custodian of record and/or third party administrator for certain tax-qualified plans. In addition, advisory fees paid to our firm for its services are separate from any internal fees or charges that a client may pay for mutual funds, exchange-traded funds (ETFs), exchange-traded notes (ETNs), or other similar investments.

### ***Firm Services***

The firm’s fees are negotiable and at the discretion of a firm principal. Lower fees for comparable services may be available from other sources.

The firm may modify the fee terms in this section prospectively on at least 30 days prior written notice to its clients.

The firm will use its best judgment and good faith effort in rendering its services to its clients. Titanium Advisors, LLC cannot warrant or guarantee any particular level of account performance, or that an account will be profitable over time. Past performance is not necessarily indicative of future results.

Except as may otherwise be provided by law, our firm will not be liable to the client, heirs, or assignees for any loss an account may suffer by reason of an investment decision made or other action taken or omitted in good faith by our firm with that degree of care, skill, prudence and diligence under the circumstances that a prudent person acting in a fiduciary capacity would use; any loss arising from our adherence to the client’s direction or that of the client’s legal agent; any act or failure to act by a service provider maintaining an account. Federal and state securities laws impose liabilities under certain circumstances on persons who act in good faith and, therefore, nothing contained in this document or our client engagement agreement shall constitute a waiver of any rights that a client may have under federal and state securities laws.



### ***Termination of Services***

Either party may terminate the agreement at any time by communicating the intent to terminate in writing. If a client verbally notifies our firm of the termination and, if in two business days following this notification we have not received a client termination notice in writing, we will make a written notice in our records and will send our own termination notice to the client as a substitute. Our firm will not be responsible for investment allocation, advice or transactional services (except for limited closing transactions) upon receipt of a termination notice. It will also be necessary that we inform the custodian of record that the relationship between parties has been terminated.

A new client may terminate an agreement with the firm within five business days after the signing of the services agreement without fee or penalty. Thereafter, the fee shall be prorated through the date of termination and due upon delivery of our invoice.

### **Item 6 - Performance-Based Fees and Side-By-Side Management**

Our firm's advisory fees will not be based on a share of capital gains or capital appreciation (growth) of any portion of managed funds, also known as performance-based fees. Our fees will also not be based on side-by-side management, which refers to a firm simultaneously managing accounts that do pay performance-based fees (such as a hedge fund) and those that do not.

### **Item 7 - Types of Clients**

While our current client base consists of individuals, high net worth individuals, and pension and profit sharing plans, we are available to serve foundations, charitable organizations, and business entities of various scale.

Financial planning engagements, where an hourly or fixed fee is paid, do not require minimum dollar value of assets or other conditions. The firm does not impose a minimum account size for its investment supervisory services but it may charge a minimum quarterly fee as noted in Item 5.

Titanium Advisors, LLC reserves the right to waive certain fees based on unique individual circumstances, special arrangements, pre-existing relationships or as otherwise may be determined by a firm principal. The firm also reserves the right to decline services to any prospective client for any reason.

### **Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss**

#### ***Methods of Analysis***

When the firm is engaged to provide investment consultation or investment supervisory services, the client's current financial situation, needs, goals, objectives and tolerance for risk is evaluated. Asset allocation and investment policy decisions are made and discussed with the client to, in the firm's best judgment, meet the client's objectives while minimizing risk exposure.

Research may be drawn from publicly available reports, market analysis and research materials; computerized asset allocation modeling programs, Monte Carlo analysis and various subscription services.

## ***Investment Strategies***

Titanium Advisors, LLC generally employs a passive investment management strategy which is designed for investors who seek long-term, tax efficient growth while controlling risk and volatility. This strategy does not rely upon active investment management nor call for frequent trading so it may be equally suited for both taxable and qualified retirement plans, such as individual retirement accounts (IRAs).

The strategy is based upon the work of Nobel Prize winning and other top academic researchers, including Eugene Fama of the University of Chicago and Kenneth French of Dartmouth College. The objective is to seek higher returns for each level of portfolio risk, consistent with each client's individual tolerance for risk and return objective. This strategy will adjust the relative levels of equity and fixed-income investments in each account to seek an appropriate level of risk for each client.

The firm's strategy uses asset class (non-actively managed) ETFs, ETNs, and mutual funds, such as those offered by Dimensional Fund Advisors (available only to institutional investors or through certain registered investment advisors) and the Vanguard Group, Inc. Investments are broadly diversified across multiple U.S. and international asset classes including: U.S. large-cap; U.S. large-cap value, U.S. small-cap, U.S. small-cap value, listed real estate investment trusts (REITs), energy, international large-cap, international large-cap value, international small-cap, international small-cap value, and emerging markets. Portfolios typically also include anywhere from 25 to 75 percent of holdings in bond funds to help limit portfolio risk.

## ***Risk of Loss***

While Titanium Advisors, LLC believes its strategies and investment selection is designed to potentially produce the highest possible return for a given level of risk, it cannot warrant or guarantee that an investment objective or planning goal will be achieved. Investing in securities involves risk of loss that clients should be prepared to bear. The various risks involved in the investment of account assets include market, currency, interest rate, liquidity, operational or political risk, among others.

When the firm's research and analyses is based upon commercially available software, rating services, general market and financial information, or due diligence reviews, the firm is relying upon the accuracy and validity of the information or capabilities being provided by selected vendors, rating services, market data, and the issuers themselves.

The firm makes every effort to determine the accuracy of the information received but it cannot foretell events or actions taken or not taken, or the validity of all information it has researched or provided which may or may not affect the advice to or investment management of a client account or financial plan.

Whenever employing a passive, efficient markets strategy, an investor should consider the potential risk that their broader allocation may generate lower-than-expected returns than that from a specific asset, and that the risk on each type of asset is a deviation from the average return from the asset class. The firm believes this variance from the "expected return" is generally low under normal market conditions if the portfolio is made up of diverse, non-correlated assets.

Investment vehicles such as ETFs have the potential to be affected by "active risk" or "tracking error risk," which might be defined as a deviation from their stated benchmark (index). Since the core of a portfolio may attempt to closely replicate a stated benchmark, the source of the tracking error or

deviation may come from a “sample index” ETF that may not as closely align with the stated benchmark. In these instances, the firm may choose to reduce the weighting of a holding or use a “replicate index” ETF as part of its core holdings to minimize the effects of the tracking error in relation to the overall portfolio.

Further, while many ETFs/ETNs are known for their potential tax-efficiency and higher “qualified dividend income” (QDI) percentages, there are certain asset classes or holding periods within an ETF/ETN that may not benefit. Shorter holding periods as well as certain commodities and currencies may be considered “non-qualified” under certain tax code provisions, therefore, the holding’s QDI will be considered if tax-efficiency is an important aspect of the portfolio.

### **Item 9 - Disciplinary Information**

Neither the firm nor its management has been involved in a material criminal or civil action in a domestic, foreign or military jurisdiction, an administrative enforcement action, or self-regulatory organization proceeding that would reflect poorly upon our offering advisory business or its integrity.

### **Item 10 - Other Financial Industry Activities and Affiliations**

Firm policies require associated persons to conduct business activities in a manner that avoids conflicts of interest between the firm and its clients, or that may be contrary to law. We will provide disclosure to each client prior to and throughout the term of an engagement regarding any conflicts of interest involving its business relationships that might reasonably compromise its impartiality or independence.

Our advisory firm and its management are not registered nor have an application pending to register as a Financial Industry Regulatory Authority (FINRA) or National Futures Association (NFA) member firm or associated person of such a firm, nor are we required to be registered with such entities. Neither our firm nor its management is or has a material relationship with any of the following types of entities:

- accountant or an accounting firm
- another investment advisor, including financial planning firm, municipal advisor or third-party investment manager
- bank, credit union or thrift institution, or their separately identifiable departments or divisions
- insurance company or insurance agency
- law firm
- pension consultant (other than our own services)
- real estate broker or dealer
- sponsor or syndicator of limited partnerships
- trust company
- issuer of a security, to include investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or “hedge fund,” and offshore fund)

Mr. Nulton is a member of the Massachusetts Bar but does not serve advisory clients’ counsel nor is he associated with a law firm.

## **Item 11 - Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

### ***Code of Ethics***

The firm has adopted a Code of Ethics that sets forth the policies of ethical conduct for all personnel and accepts the obligation not only to comply with the mandates and requirements of all applicable laws and regulation but also to take responsibility to act in an ethical and professionally responsible manner in all professional services and activities. The firm's policies include the prohibition against insider trading, circulation of rumors, certain political contribution activities, among others. The firm periodically reviews and amends its Code of Ethics to ensure currency; all firm access persons are required no less than annually to attest to their understanding and adherence. Titanium Advisors, LLC will provide of copy of its Code of Ethics to all clients and prospective clients upon request.

Firm personnel that are CFP® designees must also adhere to the Certified Financial Planner Board of Standards and Code of Ethics. These principles include:

#### ***Principle 1 – Integrity***

An advisor will provide professional services with integrity. Integrity demands honesty and candor which must not be subordinated to personal gain and advantage. Advisors are placed by clients in positions of trust by clients, and the ultimate source of that trust is the advisor's personal integrity. Allowance can be made for innocent error and legitimate differences of opinion; but integrity cannot co-exist with deceit or subordination of one's principles.

#### ***Principle 2 – Objectivity***

An advisor will provide professional services objectively. Objectivity requires intellectual honesty and impartiality. Regardless of the particular service rendered or the capacity in which an advisor functions, an advisor should protect the integrity of their work, maintain objectivity and avoid subordination of their judgment.

#### ***Principle 3 – Competence***

Advisors will maintain the necessary knowledge and skill to provide professional services competently. Competence means attaining and maintaining an adequate level of knowledge and skill, and applies that knowledge effectively in providing services to clients. Competence also includes the wisdom to recognize the limitations of that knowledge and when consultation with other professionals is appropriate or referral to other professionals necessary. Advisors make a continuing commitment to learning and professional improvement.

#### ***Principle 4 – Fairness***

Advisors will be fair and reasonable in all professional relationships. Fairness requires impartiality, intellectual honesty and disclosure of material conflict(s) of interest. It involves a subordination of one's own feelings, prejudices and desires so as to achieve a proper balance of conflicting interests. Fairness is treating others in the same fashion that you would want to be treated and is an essential trait of any professional.

### Principle 5 – Confidentiality

Advisors will protect the confidentiality of all client information. Confidentiality means ensuring that information is accessible only to those authorized to have access. A relationship of trust and confidence with the client can only be built upon the understanding that the client's information will remain confidential.

### Principle 6 – Professionalism

Advisors will act in a manner that demonstrates exemplary professional conduct. Professionalism requires behaving with dignity and courtesy to all who use their services, fellow professionals, and those in related professions. Advisors cooperate with fellow advisors to enhance and maintain the profession's public image and improve the quality of services.

### Principle 7 – Diligence

Advisors will provide professional services diligently. Diligence is the provision of services in a reasonably prompt and thorough manner, including the proper planning for, and supervision of, the rendering of professional services.

### **Privacy Policy**

A copy of the firm's privacy policy notice will be provided to each client prior to, or contemporaneously with, the execution of an engagement agreement. The firm will notify its clients annually of its privacy policy and at any time, in advance, if its privacy policy is expected to change.

To ensure security and confidentiality, the firm maintains physical, electronic, and procedural safeguards to protect the privacy of its clients. Identifiable information about the client or prospective client will be maintained during the span of the engagement and for the period thereafter as required by both securities industry and state privacy laws. After that time, information will be destroyed under the firm's records destruction guidelines.

### **Participation or Interest in Client Transactions**

Neither the firm, employees nor any related person are authorized to recommend to a client, or effect a transaction for a client, involving any security in which the firm or a related person has a material financial interest, such as in the capacity as an underwriter, advisor to the issuer, etc.

Employees are prohibited from taking or providing a loan from a client unless it is an approved financial institution or the natural person is an immediate family member.

The firm recognizes that should it act as the advisor to the sponsor of an ERISA-qualified retirement plan (i.e., 401(k) or pension plan) and one of its investment advisor representatives serves in an advisory capacity to one or more of the plan's participants, a potential or implied conflict of interest may occur. The firm may require its employee to cease in this plan participant advisory capacity or, upon disclosure to and approval from the plan sponsor, allow the dual advisory role to continue and with consideration made to offset participant fees.

Our firm remains focused on ensuring that its offerings are based upon the needs of its clients, not resultant fees received for such services. We want to note that you are under no obligation to act on a recommendation from our firm and, if you elect to do so, you are under no obligation to complete them through our firm or a service provider whom we may recommend.

***Firm/Personnel Purchases of Same Securities Recommended to Clients and Conflicts of Interest***

Our firm does not trade for its own account (e.g., proprietary trading). Other than mutual fund shares, the firm's related persons do not buy or sell securities that are recommended to advisory clients.

**Item 12 - Brokerage Practices**

Titanium Advisors, LLC is not affiliated with any bank, custodian, or broker-dealer firm ("service provider").

When engaged to provide investment supervisory services, the firm may first offer to use the service provider with whom the prospective client's assets are currently maintained. Should the client prefer a new custodian, the firm will suggest the institutional services division of Scottrade, Inc. ("Scottrade").

The firm believes the selection of Scottrade as its custodians of choice is due to what the firm would describe as the investment advisor industry's "best practices," combining the elements of low (not necessarily the lowest) transaction costs to the client for the benefit of custody of client's securities, and service to both the client and the firm in its efforts to better serve their account. Such services involve, for example, handling client distribution or withdrawals, account billing services, electronic client statements, etc. Research is also a modest consideration.

It is the firm's policy to restrict non-cash compensation (termed "soft dollars" in certain jurisdictions) to those products or services that enhance its ability to render quality advice and service to all of its clients that utilize any services provided by Scottrade. Although the firm may maintain a majority of its business with Scottrade, it derives no special benefit (any more than any other investment advisory firm) from doing so, nor does it "pay up" to receive these additional services.

Industry fees and schedules periodically change; subsequently, transaction fees charged by a custodian, such as Scottrade, may be higher or lower than those charged by other service providers. The firm believes, in good faith, that the rates are reasonable in relation to the value of the services received. The fees paid by firm clients will also comply with the firm's duty to obtain "best execution" (as further defined in a following paragraph). The firm conducts periodic assessments of Scottrade, their range of services and capabilities, as well as the reasonableness of their fees, in comparison to other comparable industry providers.

***Client Referrals***

All compensation paid to the firm is paid directly by the client and, therefore, the firm does not receive any additional compensation when its clients engage a recommended custodian or any other service provider.

### ***Directed Brokerage and Best Execution***

Titanium Advisors, LLC does not require or engage in directed brokerage involving its accounts. The firm recognizes its obligation in seeking "best execution" for its clients, however, it is the firm's belief that the determinative factor is not always the lowest possible cost but whether the selected service provider's transactions represent the best "qualitative" execution while taking into consideration the full range of services provided. Therefore, the firm will seek services involving competitive rates but it may not necessarily correlate into the lowest possible rate for each transaction. The firm periodically reviews its policies regarding recommending service providers to clients in light of its duty to seek "best execution."

Our internal policy and operational relationship with our custodian requires client accounts custodied with them to have trades executed per their order routing requirements. We do not direct which executing broker should be selected for client account trades; whether that is an affiliate of our preferred custodian or another executing broker of our custodian's choice. As a result a client may pay higher commissions or other transaction costs, experience greater spreads, or receive less favorable net prices on transactions than might otherwise be the case. In addition, since we routinely recommend a custodian for our advisory clients, and that custodian may choose to use the execution services of its broker affiliate for some or all of our client account transactions, there is an inherent conflict of interest involving our recommendation since our advisory firm receives various products or services described in this section from that custodian. Note that we are not compensated for trade routing/order flow, nor are we paid commissions on such trades. We do not receive interest on our client accounts' cash balances.

Our internal portfolio management clients are unable to engage in directed brokerage via our custodian. As a result, they may pay higher commissions or other transaction costs, potentially experience greater spreads, or receive less favorable net prices on transactions for their account than would otherwise be the case if they had the opportunity to direct brokerage.

For those clients who maintain account assets at another custodian of record, the client may choose to request that a particular broker is used to execute some or all account transactions. Under these circumstances, the client will be responsible for negotiating, in advance of each trade, the terms and/or arrangements involving their account with that broker, and whether the selected broker is affiliated with their custodian of record or not. We will not be obligated to seek better execution services or prices from these other brokers, and we will be unable to aggregate transactions for execution via our custodian with other orders for accounts managed by our firm. As a result, the client may pay higher commissions or other transaction costs, potentially experience greater spreads, or receive less favorable net prices on transactions for their account than would otherwise be the case.

### ***Trade Aggregation***

Transactions for each client will generally be effected independently unless the firm decides to purchase or sell the same securities for several clients at approximately the same time often termed "aggregated" or "batched" orders. The firm may (but is not obligated to) aggregate orders in an attempt to obtain better execution, negotiate favorable transaction rates, or to allocate equitably among client accounts should there be differences in prices and commissions or other transaction costs that might have been obtained had such orders been separately placed. Client accounts where trade aggregation is disallowed or infeasible may be assessed higher transaction costs than those that are batched.

Within aggregated orders, transactions will generally be averaged as to price and allocated among the clients on a *pro rata* basis on any given day and the firm will attempt to do so in accordance with applicable industry rules. The firm shall not receive any additional compensation or remuneration as a result of the aggregated transactions.

In the event the firm determines that a prorated allocation is not appropriate under the particular circumstances, the allocation will be made based upon other relevant factors, which may include (in no particular order):

- when only a small percentage of the order is executed, shares may be allocated to the account with the smallest order or the smallest position or to an account that is out of line with respect to security or sector weighting relative to other portfolios with similar mandates;
- allocations may be given to one account when one account has limitations in its investment guidelines which prohibit it from purchasing other securities which are expected to produce similar investment results and can be purchased by other accounts;
- if an account reaches an investment guideline limit and cannot participate in an allocation, shares may be reallocated to other accounts, such as that which might occur due to unforeseen changes in an account's assets after the order is placed;
- when a *pro rata* allocation of a potential execution would result in a *de minimis* allocation in one or more accounts, an account may be excluded from the allocation and transactions may be executed on a *pro rata* basis among the remaining accounts; or
- when a small proportion of an order is executed in all accounts, shares may be allocated to one or more accounts on a random basis, with an eye toward the “randomness” of the process (i.e., not always A-to-Z or vice versa, etc.).

The firm reviews both its trade aggregation procedures and allocation processes on a periodic basis to ensure it remains within stated policies and/or regulation.

### ***Trade Errors***

The firm corrects its trade errors through an account maintained by our custodian, and the firm may be responsible for trading error losses that occur within a client account. Should there be a gain following the correction of a trading error, the firm will typically credit the client’s account.

### **Item 13 - Review of Accounts**

Periodic financial check-ups or portfolio reviews are recommended for financial planning and investment consultation clients who have not engaged the firm to provide ongoing investment management services. It is the client’s responsibility to initiate these reviews.

Investment management services accounts are periodically reviewed throughout the year by Mr. Nulton. No more than 100 households shall be assigned to any one investment advisor representative.



Our firm produces its own written performance reports on a quarterly basis which are calculated using the internal rate of return methodology (XIRR function in Microsoft Excel) for time period returns (90 day, 1, 3, 5 year, etc.) and a time-weighted methodology (modified Dietz method) for total returns since account inception. Returns are calculated net of all fees and costs paid by the client. Retirement plan contributions each quarter (if any) are assumed to be invested in equal amounts of the 15th day of each month. The performance reports are based upon an aggregate of all investments held by the client (whether or not managed by the firm) and often require the manual input of relevant data into the calculation spreadsheet. All performance reports are reviewed for accuracy by Mr. Nulton prior to delivery. The reports are intended to inform clients about their investment performance over various time periods both on an absolute basis and as compared to known benchmarks. Clients are urged to carefully review and compare account statements that they have received directly from their custodian of record with any report they may receive from our firm or any other source that contains account performance information.

#### **Item 14 - Client Referrals and Other Compensation**

If we receive or offer an introduction to an individual client, we do not pay or earn referral fee, nor are there established *quid pro quo* arrangements. Each client retains the option to accept or deny such referral or subsequent services.

The firm may utilize an appointment setting service to contact sponsors of retirement plans qualified under The Employment Retirement Income Security Act of 1974 (ERISA) and inquire as to their willingness to meet with a financial advisor to review the employer's retirement plan at a specific date and time. No communications between the appointment setting service and the plan sponsor will purport to meet the objectives or needs of the specific client. Fees paid by the firm to the appointment setting service will not vary based upon whether or not the plan sponsor subsequently becomes a client of the firm, and no portion of any fee paid by the plan sponsor will be shared with the appointment setting service provider.

An associate may also be individual members of various professional associations where their information may be available on the organization's website for public view. These passive websites may provide a means for an interested person to reach an individual planner via listed contact information. Prospective clients locating the firm or an associated investment advisor representative via the noted venue is not actively marketed by these associations; nor do they pay more for their services than another client who may be referred in another fashion, such as a personal referral from another firm client. Further, firm policy does not allow it or an employee to pay these associations for prospective client referrals, nor are these fee-sharing arrangements reflective of a solicitor engagement.

#### **Item 15 - Custody**

Client funds and securities will be maintained by unaffiliated, qualified custodians (such as Scottrade), banks, broker-dealers, mutual fund companies, or transfer agents; not with or by Titanium Advisors, LLC, nor any of its associates. The firm will not accept or forward client securities (i.e., stock certificates) errantly delivered to the firm.

At no time will an associate of the firm be authorized to have knowledge of a client's account access information (i.e., online 401(k), personal brokerage, or bank accounts) if such access provides the ability to withdraw funds or securities or transfer them to an account not in the client's name at a qualified

custodian, even for the “accommodation” of the client or their legal agent when such access might result in physical control over client assets.

Firm policies restrict the firm and its associated persons from acting as trustee for or having general power of attorney over a client account.

Firm fees are not to be collected before services have been performed.

Clients will be provided transaction confirmations and summary account statements sent directly from their selected service provider; not through or by Titanium Advisors, LLC. Typically, these statements are provided on a monthly or quarterly basis, and as transactions occur. Clients are reminded to inform the firm, at its main office, if they do not receive these statements in a timely fashion. For those accounts that elect to receive electronic statements from the selected service provider, they must ensure they maintain a current electronic mail address with the service provider.

Clients may receive periodic reports from Titanium Advisors, LLC that summarize account performance. They are urged to compare their account statements received from the assigned service provider with those performance reports they receive from the firm.

#### **Item 16 - Investment Discretion**

We generally provide our portfolio management services on a *discretionary* basis. Similar to a limited power of attorney, discretionary authority allows our firm to implement investment decisions, such as the purchase or sale of a security on behalf of an account, without requiring prior client authorization for each transaction in order to meet stated investment objectives. This authority will be granted through the client’s execution of both our engagement agreement and the selected custodian’s account opening documents. Note that the custodian will specifically limit our firm’s authority within the account to the placement of trade orders and the request for the deduction of our advisory fees.

Our firm prefers to not manage client accounts on a *nondiscretionary basis* but we may accommodate such requests on a case-by-case basis. Such account authority requires ongoing client prior approval involving the investment and reinvestment of account assets, portfolio rebalancing, or for our firm to give instructions to the custodian maintaining the account (i.e., wire instructions, etc.). The will be required to execute our firm’s client services agreement that describes our limited account authority, as well as the custodian of record’s account opening document that includes their limited power of attorney form or clause. Please note that in light of the requirement for pre-approval the client must make themselves available and keep our firm updated on their contact information so that instructions can be efficiently effected.

Each client may amend account authority by providing our firm revised written instructions. As noted in Item 4, we will allow for reasonable restrictions involving the management of the account. It remains the client’s responsibility to notify our firm if there are changes in their situation and/or investment objective so that we may reevaluate previous investment recommendations or portfolio holdings.

### **Item 17 - Voting Client Securities**

Clients may periodically receive proxies or other similar solicitations sent directly from their custodian or transfer agent. Should we receive a duplicate copy, note that we do not forward these or any correspondence relating to the voting of securities, class action litigation, or other corporate actions.

Our firm does not vote proxies on behalf of its clients, including accounts that we have discretionary authority. We do not offer guidance on how to vote proxies, nor will we offer guidance involving any claim or potential claim in any bankruptcy proceeding, class action securities litigation or other litigation or proceeding relating to securities held at any time in a client account, including, without limitation, to file proofs of claim or other documents related to such proceeding, or to investigate, initiate, supervise or monitor class action or other litigation involving client assets. We will answer limited questions with respect to what a proxy voting request or other corporate matter may be and how to reach the issuer or their legal representative.

The client will maintain responsibility for directing the manner in which proxies solicited by issuers of securities that are beneficially owned by them shall be voted, as well as making all other elections relative to mergers, acquisitions, tender offers or other legal matters or events pertaining to your holdings. Clients should consider contacting the issuer or their legal counsel involving specific questions they may have with respect to a particular proxy solicitation or corporate action.

### **Item 18 - Financial Information**

Our advisory firm will not take physical custody of client assets, nor do we have the type of account authority to have such control. Fee withdrawals must be done through a qualified intermediary (e.g., custodian of record), per the client's prior written agreement, and following the client's receipt of our firm's written notice (termed "constructive custody").

Engagements with our firm do not require that we collect fees from a client of \$500 or more for our advisory services that we have agreed to perform six months or more into the future.

Neither our firm nor its management serve as general partner for a partnership or trustee for a trust in which the firm's advisory clients are either partners of the partnership or beneficiaries of the trust.

The firm and its management do not have a financial condition likely to impair its ability to meet commitments to clients, nor has the firm and its management been the subject of a bankruptcy petition.

Due to the nature of our firm's advisory services and operational practices, an audited balance sheet is not required nor included in this brochure.

### **Item 19 - Requirements for State-Registered Advisers**

For further information involving firm principal executive and management personnel, their business activities as well as material conflicts of interest, please refer to areas previously disclosed in Items 6 and 9 through 11, as well as the accompanying Form ADV Part 2B brochure supplement that immediately follows this page. Per Item 10 of this brochure, neither the firm nor a member of its management has a material relationship with the issuer of a security.

## Form ADV Part 2B: Brochure Supplement

Kevin L. Nulton

March 10, 2016

This brochure provides information about the firm's principal executives that supplements the Titanium Advisors, LLC firm brochure, which is referenced in the preceding pages. Please contact Mr. Nulton at (508) 528-3120 if you did not receive the firm's advisory services brochure or if you have any questions about the contents of this supplement. Additional information about Mr. Nulton is available on the Securities and Exchange Commission's (SEC) website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

### **Item 1 - Firm Information**

Titanium Advisors, LLC  
471 West Central Street  
Franklin, MA 02038  
(508) 528-3120  
[www.titaniumadvisors.com](http://www.titaniumadvisors.com)

### **Item 2 - Educational Background and Business Experience**

#### ***Principal Executive Officers and Management Persons***

Managing Member/Principal/Chief Compliance Officer/Data Security Officer/Financial Planner

**Kevin Lee Nulton, Esq., CFP®**

Year of Birth: 1961 / CRD # 5374120

#### ***Educational Background and Business Experience***

##### Education

Juris Doctor (*summa cum laude*); University of Pittsburgh School of Law (1986)  
Bachelor of Science – Finance (*magna cum laude*); Lehigh University (1983)

##### Experience

Principal - Titanium Advisors, LLC (2010-Present)  
Principal/Managing Director - Wealth Exchange Solutions, LLC (2007-2009)  
General Counsel - WES Investments, LLC (2007-2009)  
Attorney/Senior Partner - Brown Rudnick, LLP (1986-2007)

##### Examinations and Professional Designations Held

CERTIFIED FINANCIAL PLANNER™ Practitioner <sup>1</sup>  
Licensed Attorney (Massachusetts)  
FINRA/General Securities Representative Examination (Series 7/Inactive) <sup>2</sup>  
FINRA/General Securities Principal Examination (Series 24/Inactive) <sup>2</sup>  
NASAA/Uniform Securities Agent State Law Examination (Series 63/Inactive) <sup>2</sup>

### **Item 3 - Disciplinary Information**

Registered investment advisors are required to disclose certain material facts about its associated personnel regarding any legal or disciplinary events, including criminal or civil action in a domestic, foreign or military court, or any proceeding before a state, federal or foreign regulatory agency, self-regulatory organization, or suspension or sanction by a professional association for violation of its conduct rules, that would be material to your evaluation of each officer or a supervised person providing investment advice. Mr. Nulton has not been the subject of any such event.

### **Item 4 - Other Business Activities**

Neither the firm nor Mr. Nulton have a material relationship with an issuer of a security. He is not actively engaged in another *investment-related* business or occupation; he is not registered nor has an application pending to register as a registered representative of a broker/dealer or associated person of a futures commission merchant, commodity pool operator, or commodity trading advisor. He does not receive commissions, bonuses or other compensation based on the sale of securities or other investment products, including that as a registered representative of a broker/dealer, and including distribution or service ("trail") fees from the sale of mutual funds.

### **Item 5 - Additional Compensation**

Mr. Nulton is not compensated for advisory services involving performance-based fees. Our firm prohibits employees from accepting or receiving additional economic benefit, such as sales awards or other prizes, for providing advisory services to its clients.

### **Item 6 - Supervision**

Mr. Nulton serves in multiple capacities with the firm such as Managing Member, Principal, Chief Compliance Officer, Data Security Officer, Financial Planner, and Investment Advisor Representative. Because supervising one's self poses a conflict of interest, the firm has adopted policies and procedures to mitigate this conflict, and may use the services of unaffiliated professionals to ensure the firm's oversight obligations are met. Questions relative to the firm, staff, its services, or this ADV Part 2 may be made to the attention of Mr. Nulton at (508) 528-3120.

Additional information about the firm, other advisory firms, or associated investment advisor representatives is available on the Internet at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). A search of this site for firms or their associated personnel can be accomplished by name or a unique firm identifier, known as an IARD number. The IARD number for Titanium Advisors, LLC is 153943.

The business and disciplinary history, if any, of an investment advisory firm and its representatives may also be obtained by calling the Massachusetts Securities Division at (617) 727-3548, the Vermont Securities Division at (802) 828-3420, or the state securities administrator in which the client resides.

### **Item 7 - Requirements for State-Registered Advisers**

There have been neither arbitration awards nor any sanctions or other matters where Titanium Advisors, LLC has been found liable in any civil, self-regulatory or administrative proceeding. Further, neither have Titanium Advisors, LLC nor Mr. Nulton been the subject of a bankruptcy petition.

### **Business Continuity Plan**

Our firm maintains a business continuity and succession contingency plan that is integrated within the organization to ensure it appropriately responds to events that pose a significant disruption to its operations. A statement concerning the current plan is available under separate cover.

### **Information about Professional Designations and Education**

<sup>1</sup>The **CERTIFIED FINANCIAL PLANNER™**, **CFP®** and federally registered CFP (with flame design) marks (collectively, the “CFP® marks”) are professional certification marks granted in the United States by Certified Financial Planner Board of Standards, Inc. (“CFP Board”).

The CFP® certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP® certification. It is recognized in the United States and a number of other countries for its (1) high standard of professional education; (2) stringent code of conduct and standards of practice; and (3) ethical requirements that govern professional engagements with clients. Currently, more than 62,000 individuals have obtained CFP® certification in the United States.

To attain the right to use the CFP® marks, an individual must satisfactorily fulfill the following requirements:

- Education – Complete an advanced college-level course of study addressing the financial planning subject areas that CFP Board’s studies have determined as necessary for the competent and professional delivery of financial planning services, and attain a Bachelor’s Degree from a regionally accredited United States college or university (or its equivalent from a foreign university). CFP Board’s financial planning subject areas include insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning;
- Examination – Pass the comprehensive CFP® Certification Examination. The examination includes case studies and client scenarios designed to test one’s ability to correctly diagnose financial planning issues and apply one’s knowledge of financial planning to real world circumstances;
- Experience – Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year); and
- Ethics – Agree to be bound by CFP Board’s *Standards of Professional Conduct*, a set of documents outlining the ethical and practice standards for CFP® professionals.

Individuals who become certified must complete the following ongoing education and ethics requirements in order to maintain the right to continue to use the CFP® marks:

- Continuing Education – Complete 30 hours of continuing education hours every two years, including two hours on the *Code of Ethics* and other parts of the *Standards of Professional Conduct*, to maintain competence and keep up with developments in the financial planning field; and
- Ethics – Renew an agreement to be bound by the *Standards of Professional Conduct*. The Standards prominently require that CFP® professionals provide financial planning services at a fiduciary standard of care. This means CFP® professionals must provide financial planning services in the best interests of their clients.

CFP® professionals who fail to comply with the above standards and requirements may be subject to CFP Board’s enforcement process, which could result in suspension or permanent revocation of their CFP® certification.

<sup>2</sup>NASAA and FINRA examinations are "criterion based;" candidates who pass the exam are considered to have met the minimum competency level. The completion of a securities industry examination does not constitute or imply a person is “approved” or “endorsed” by a self-regulatory organization or state securities administrator.